



2006 Model Program Revisions: Summary

Agricultural Diversification:

- Removed the following section for consideration as part of the Goat Diversification Program: Small Animal Production-Sheep
- In *A. Commercial Vegetable, Mushroom, and Herb Production*, non-motorized transplanting or cultivation equipment was added as #2.
- In *B. Commercial Fruit and Sweet Sorghum Production*, grapevine cuttings, potted and rooted cuttings, scion rootstock combinations listed in the *Grapevine Cultivar Requirements List*, as well as “soil, media for plan production” were added.
- In both *A. Commercial Vegetable...* and *B. Commercial Fruit...* “non-motorized” was added to any item referring to equipment. “Foliar feed” was also added to fertilizer and soil amendment language for organic production in both. Language allowing mulch specific to organic production was added to the “plastic or plasticulture supplies” in both.
- Under *H. Equine Production*, #7 (“On-farm direct to consumer sales cost-share items”) was removed.
- Under *F. Poultry Production*, Pastured Poultry and Other Fowl were combined as one investment area with the following added: pasture/pen water lines or alternative water sources, permanent pens and shelters [Other fowl only]
- Labor language in all Investment Areas changed to the following:
“Funds will reimburse material expenses and vendor labor. Labor provided by the individual applicant is not eligible for direct cost-share; however, documented grower labor may be used as match (\$16/hour), not to exceed 25% of total project cost. [For construction projects.]”

Cattle Genetics Improvement:

- “AI School” added as eligible cost-share item in “2. Semen purchase”
- In *III-C. Guidelines for Producer Application Development by Local Agency*, the following was added, as items that must occur at the time of application and before the bull/semen/lease is obtained by the producer:
 2. The producer application must be submitted **prior to the purchase of the bull**. On the application, the producer must select up to two EPD categories from the list of six below for the bull/semen/lease to be obtained:
 - a. Balanced Trait
 - b. Carcass Merit
 - c. Heifer Acceptable
 - d. High Productivity
 - e. Low Maintenance
 - f. Terminal Cross
 3. The application must include a section that lists the above (2a. – f.) EPD Categories. The producer can choose no more than two (2) EPD Categories for the bull/semen/lease to be obtained. For reimbursement, the bull/semen/lease must fit the EPD Requirements (See III-D7.) for the type of bull/semen/lease that was pre-selected.

Example: If a producer selects both a Heifer Acceptable and Balanced Trait bull on the application, then the bull purchased must fit either the Heifer Acceptable or Balanced Trait EPD Requirements. If the bull does not meet one of these two bull type categories, but does meet another category (e.g. Terminal Cross), then it WILL NOT qualify for cost-share reimbursement.

A producer is no longer allowed to purchase a bull/semen/lease without first determining what type of bull/semen/lease he needs.
- In *III-D7. Expected Progeny Differences (EPD) Requirements*, the following was added, as the traits that must be met to qualify for each of the bull type categories (listed above):
 - b) A bull/semen/lease must qualify within one of the two bull type categories, selected by the producer at the time of application.
 - c) When selecting bulls/semen/lease for each of the six bull type categories, the following traits must be met to qualify:
 - i) **Balanced Trait**, the EPD requirements must be met for calving ease, milking ability, and either weaning weight or yearling weight guidelines.

ii) **Carcass Merit** must meet minimum calving ease and carcass traits that are breed specific.

iii) **Heifer Acceptable** will have to meet minimum calving ease and either weaning weight or yearling weight guidelines.

iv) **High Productivity** must meet EPD requirements for minimum calving ease and milking ability, and minimum weaning weight or yearling weight guidelines.

v) **Low Maintenance** must meet minimum calving ease and maximum yearling weight and milking ability guidelines.

vi) **Terminal Cross**, the EPDs shall meet the calving ease and either weaning weight or yearling weight guidelines, depending on your the targeted market.

Cattle Handling Facilities:

- Under *A. Handling Facilities & Equipment for Beef Cattle*, the following were added, which are consistent with items in Dairy Diversification:
 - 14. **Renovation of existing beef barns** or existing tobacco barns into beef facilities
 - 15. **Construction of new beef facilities** where no buildings exist for renovation
 - 16. **Manure collection and distribution equipment (excluding manure spreaders)**
 - 17. **Feed ways, forage mixers, feeding equipment systems, automatic waterers**
 - 18. Equipment essential to provide **on-farm value-added processing (excluding motorized vehicles)**
 - 19. **Computer hardware and software** to assist in performance record keeping and financial management
 - 20. One half the cost of participation in the **Kentucky Farm Business Management Program**
 - 21. **Promotional and advertising materials** in an amount not to exceed \$1,000, excludes products or services provided by the KY Department of Agriculture or other state programs.
 - 22. **On-farm direct-to-consumer sales** cost-share items:
 - a. Construction of new permanent structures or conversion of existing structures to be used for retail sale of product.
[Meeting rooms, exposition centers, educational facilities and construction or improvements to buildings serving primarily as residences are not eligible cost share items.]
 - b. Site preparation including on-site utility extensions and officially permitted on-site waste treatment facilities
 - c. Refrigerated equipment for storing product (non-motorized)

- d. Display equipment, including refrigerated equipment, to assist in selling of product
- The following prerequisites were added in *A. Cattle Handling...*:
 - Producer must provide receipts for each item being funded. If funds are being borrowed, then a legal description of each item offered as collateral must accompany request for funds.
 - Funds will reimburse material expenses and vendor labor. Labor provided by the individual applicant is not eligible for direct cost-share; however, documented grower labor may be used as match (\$16/hour), not to exceed 25% of total project cost. [For construction projects.]
- “Temporary or permanent shade” added as a new investment area, as follows:

E. Temporary or Permanent Shade

Material costs necessary for the construction of temporary or permanent shade for cattle. (excluding trees)

Prerequisites:

- All funds will be disbursed on a reimbursement basis.
- Producer must provide receipts for each item being cost-shared.
- Producer must attend an educational session and provide a budget, prior to receiving cost-share funds.
- Funds will reimburse material expenses and vendor labor. Labor provided by the individual applicant is not eligible for direct cost-share; however, documented grower labor may be used as match (\$16/hour), not to exceed 25% of total project cost.

Dairy Diversification:

- “Excluding manure spreaders” was added to #9. Manure collection and distribution equipment.
- The following, regarding labor, added to prerequisites: “Funds will reimburse material expenses and vendor labor. Labor provided by the individual applicant is not eligible for direct cost-share; however, documented grower labor may be used as match (\$16/hour), not to exceed 25% of total project costs.” This replaces existing labor language.

Farm Livestock Fencing Improvement:

- #3 revised as follows:
~~“Vendor labor documented by a numbered and dated receipt. Labor may be included with the cost of materials. Labor provided by the individual applicant is not an eligible cost-share item.~~ Labor provided by the individual applicant is not eligible for direct cost-share; however, documented grower labor may be used as match (\$16/hour), not to exceed 25% of total project costs.”

Forage Improvement and Utilization:

- In *A. Forage/Pasture Development* the following were added:
 - a. “foliar feed” was added to #3. Soil Amendments, as an eligible cost-share item;
 - b. “inoculants” was added as #4, as an eligible cost-share item.
- In *B. Pasture and Grain Improvement* the following were added:
 - a. “foliar feed” was added to #2. Soil Amendments, as an eligible cost-share item;
 - b. “specialized spraying equipment (non-motorized)” was added as #3, as an eligible cost-share item.
- Under *D. Fence and Water*, minimum animal requirement was added to Prerequisites: “Minimum average herd size of 10 animals must be demonstrated over the previous year.”
- Labor language revised/added where appropriate as follows: “Funds will reimburse material expenses and vendor labor. Labor provided by the individual applicant is not eligible for direct cost-share; however, documented grower labor may be used as match (\$16/hour), not to exceed 25% of total project cost.”
- *Subsurface Drainage* inserted as investment area E., making *Seeding: Services & Rental of Equipment* investment area F.
- The following added for subsurface drainage:
E. Subsurface Drainage (Tiling)

Material costs necessary for the installation of subsurface drainage systems for improved soil drainage.

Prerequisites:

- All funds will be disbursed on a reimbursement basis. Producer must provide receipts for each item being cost-shared.
- Producer must attend an educational session and provide a budget, prior to receiving cost-share funds.
- Funds will reimburse material expenses and vendor labor. Labor provided by the individual applicant is not eligible for direct cost-share; however, documented grower labor may be used as match (\$16/hour), not to exceed 25% of total project costs.

Goat Diversification:

- Changed program name to *Goat & Sheep Diversification*
- Added “sheep” and “sheep flock” where appropriate throughout the document.

- Added the following as a bullet point to *I. Program Goals*: “Improve the wool quality of Kentucky sheep flock”
- In *II-A. On-farm Goat/Sheep Handling* added the following:
 - “or sheep sling” to “#2. Tilt table”
 - #6. Lambing jugs/pen: to separate animals for flock management. Three-sided shed type shelters for fields to provide shelter from heat and ease in handling sheep.
 - #8. Binocular microscope, free-swinging centrifuge, test tube racks: basic equipment for testing for internal parasites
 - #9. FAMACHA chart: to measure anemia
- The following added as a **Prerequisite** to each investment section:
“Producers must have attended at least one goat/sheep management seminar, during the prior year, to receive cost-share funds. Proof consists of a certificate of attendance or letter from the organization sponsoring the event.”
- Removed the **Recommendation** section, since the education session is recommended to be a requirement
- In *II-B. Buck/Ram and/or Semen Purchase for Herd/Flock Improvement*:
 - Deleted paragraph after Goal
 - Added #3. Rams must be at least 4 months of age, in good health, and must be up to date on their CDT vaccinations. Rams must be permanently identified. Rams must be QR or RR to qualify for cost-share. (ownership requirements same as for buck)
- In *II-C. Buck/Ram Lease for Herd/Flock Improvement*:
 - Added #2. Ram lease
 - Under prerequisites added “Rams will be cost-shared on a 50-50 basis up to a maximum of \$100 for a registered ram or \$50 for a cross-bred ram.
- In *II-D. Breeding Female Purchase* the following was added to the Goal/preamble:
“Likewise, Kentucky sheep producers were once plentiful with sheep playing a vital role in Kentucky’s economy. Flock numbers have decreased over the past 50 years. However, with the influx of ethnic markets and the fact that lamb remains a delicacy, Kentucky can be posed to regain its former status in the marketplace.
- In *II-E. Dairy Facilities for Goats*, “One half the cost of membership in a producer-owned marketing cooperative” was added as #11, and “(excluding manure

spreaders)” was added to #7.

- Labor language revised/added where appropriate as follows: “Funds will reimburse material expenses and vendor labor. Labor provided by the individual applicant is not eligible for direct cost-share; however, documented grower labor may be used as match (\$16/hour), not to exceed 25% of total project cost.”
- New section added, as follows:
F. Wool Processing & Value-added Production

Goal: To improve the quality of the wool that is produced from Kentucky sheep producers. To assist producers in generating value-added products made from their wool.

The wool pool is typically the place where most producers sell their wool. The price of wool has been very low and has not offered the sheep producer enough income to offset their shearing expense. Improving the quality of their wool can, at a minimum, triple their wool income. If producers create value-added products, then their wool income could easily exceed their meat income from their sheep. The result is generating twice the income that the producer realized previously.

Cost Share Items

1. Carding, spinning, knitting, felting, weaving equipment: **Machines or hand equipment can provide the producer the ability to make their wool into a sellable product without leaving their farm.**
2. Dyes and dying supplies: **Adding color to wool for the spinning or knitting market enhances the price of the product.**
3. **One-half the cost of guild membership in a fiber organization.**
4. **On-farm direct-to-consumer sales cost-share items:**
 - a. **Construction of new permanent structures or conversion of existing structures to be used for retail sale of product.**

[Meeting rooms, exposition centers, educational facilities and construction or improvements to buildings serving primarily as residences are not eligible cost share items.]
 - b. **Site preparation including on-site utility extensions and officially permitted on-site waste treatment facilities**
 - c. **Refrigerated equipment for storing product**
 - d. **Display equipment to assist in selling of product**

Prerequisites

- Funds will be disbursed on a reimbursement basis.
- Producers must have attended at least one sheep management seminar, during the prior year, to receive cost-share funds. Proof consists of a certificate of attendance or letter from the organization sponsoring the event.
- Wool processing & value-added production will be cost shared on a 50-50 basis up to a **maximum of \$5,000 per producer.**

Hay, Straw, and Commodity Storage:

- A-3 and B-5 revised as follows:
“Vendor labor documented by a numbered and dated receipt. ~~Labor may be included with the cost of materials. Labor provided by the individual applicant is not an eligible cost-share item.~~ Labor provided by the individual applicant is not eligible for direct cost-share; however, documented grower labor may be used as match (\$16/hour), not to exceed 25% of total project costs.”

On-Farm Water Enhancement:

- Labor language revised as follows: “Funds will reimburse material expenses and vendor labor. Labor provided by the individual applicant is not eligible for direct cost-share; however, documented grower labor may be used as match (\$16/hour), not to exceed 25% of total project cost.”

Shared-use Equipment:

- Equipment added throughout 2005 highlighted in bold for your reference

Technology

- In *II-B. Animal Data Management*, #4 was clarified that all RFID tags are eligible, not just CPH 45 tags. Also, “carcass data collection” was added as #5.
- In *II-C. Computer Hardware and Record Management Software*, language restricting cost-share on word processing software was removed.
- New section added, as follows:
D. Other Equipment

Cost Share Items
1. Field meters – pH, refractometer (Brix), moisture, ERGS, ORP/Oxygen, Sodium, NPK: to monitor nutrients, moisture, etc.

2. Microscopes: to monitor for parasites in manure

Timber Production, Utilization, & Marketing:

- Prerequisites moved to the beginning of *II. Eligible Investment Areas* to clarify that they apply to both section A. and B.
- Labor language revised as follows: “Funds will reimburse material expenses and vendor labor. Labor provided by the individual applicant is not eligible for direct cost-share; however, documented grower labor may be used as match (\$16/hour), not to exceed 25% of total project cost.”

- The following were added to *II-A. Timber Production & Management*:
 - #4. Layout and construction of permanent forest roads and stream crossings for long-term management, including construction of permanent best management practices on those road and stream crossings [One Pass Practice or General Forest Management]
 - #5. Construction of fire lines and lanes [One Pass Practice or General Forest Management]

Application Process (General Guideline) Changes:

- In *III-A. Guidelines for Local Agency Application for Program Administration*, #6 was amended, as follows:
“The County Model Program Application, including cover sheet and all other documents specified in the application, must be submitted... *Sheet*.”

The program administrator shall also submit minutes of a business meeting held within the past 12-months where signatory authorization is given to the Authorized Representative listed on the application cover sheet.

- The Producer Certification Form was amended as follows (added text in **bold**):
“I also certify that I have not received funds for this model program from another county **or for the above FSN** within the last 12-months¹.”

Boxes, showing funds previously received, were updated.

- In *III-D. Producer Funding Guidelines*, the phrase “address and” was removed from the example of items that would “...be kept confidential...” in #3.
- #15 in *III-B. Guidelines for Local Agency Administration* amended, as follows:
Reporting: Quarterly Mid-term Reporting, which includes the *Model Program Summary* and *Program Quarterly Fiscal Detail Report*, is required of the program administrator 6-months after the execution date of the legal agreement. Reporting forms can be downloaded from http://agpolicy.ky.gov/funds/program_reporting.shtml. These reporting forms shall be submitted electronically to govkyagpolicy@ky.gov or on a diskette mailed to Governor’s Office of Agricultural Policy/404 Ann Street/Frankfort, KY 40601.

A **reconciliation report** is due 60 days after the term of the agreement. The reconciliation report includes, but is not limited to, the Model Program Summary and the ~~Program Quarterly~~ **Fiscal Detail Report** for any payments made since the last submitted ~~quarterly~~ **Mid-term** ~~Report~~. Also, copies of bank statements with check numbers and amounts shall be kept on file according to the legal agreement and presented in the event of an audit. Administrators shall maintain all administrative records for this program for a period of seven (7) years.

The **Close-out** of this agreement may occur when the above is completed and verified, and any programmatic data due from producers is submitted ~~on the Close-out Report~~. This final close out may occur at a date beyond the reconciliation, depending on the program.

¹ Note Hay, Straw, Commodity Storage and Farm Livestock Fencing participants shall not have participated within the last 18-months